TO: ALL DM'S WITH WAL*MART STORES, CID# 0209-00-00

FROM: MARTY WASHBURN - 4344

SUBJECT: CARTON MODULAR REVISIONS ALL STORES

LADIES & GENTLEMEN:

WAL*MART WILL BE RECEIVING PHILIP MORRIS' PRIVATE LABEL BRAND "PREMIUM BUY" NEXT WEEK. MCLANES WILL BE SENDING A COPY OF THE REVISED SAVINGS SECTION LAYOUT WITH EACH STORES' INITIAL ORDER OF "PREMIUM BUY".

A COPY OF THIS REVISED MODULAR IS ATTACHED FOR YOUR REFERENCE. OUR PEOPLE NEED TO ENSURE THAT WE HAVE OUR ALLOCATED SPACE PER THIS MODULAR, INCLUDING DISTRIBUTION OF BEST VALUE.

REVISED MODULARS ARE FOR THE STANDARD 12' AND 16' SETS ONLY. THERE ARE OTHER SIZE FIXTURES IN THE STORES AND WE WILL NEED TO ADDRESS THESE ON A STORE BY STORE BASIS. THE KEY IS TO MAINTAIN THE 50/50 VERTICAL LOAD SCENARIO IN THE SAVINGS SECTION.

PLEASE HAVE YOUR PEOPLE MEET WITH THE STORE'S DEPARTMENT 1 MANAGER TO HELP RESET THE FIXTURE TO COMPLY WITH RJR'S SPACE ALLOCATION.

SOME KEY POINTS ARE:

- 1. TOBACCO HAS BEEN REMOVED FROM THE CIGARETTE FIXTURE MODULAR FOR ALL SETS. LOOSE TOBACCO SHOULD BE MERCHANDISED ON ADJACENT GONDOLA SECTION. YOU MAY NEED ADDITIONAL SHELF DIVIDERS TO SPLIT THE VACATED SPACE BETWEEN RJR AND PM ON THIS SHELF.
- 2. 16' SETS THAT HAVE A 4' AND 2' SAVINGS SECTION WILL NEED TO BE SPLIT EQUALLY, 3' FOR RJR AND 3' FOR PM. YOU WILL NEED TO MOVE SHELF DIVIDERS ACCORDINGLY.
- 3. ON NON-STANDARD SETS ENSURE WE DIVIDE SAVINGS SPACE EQUALLY BETWEEN RJR AND PM. USE NEW REVISED MODULARS AS A GUIDE.
- 4. THE FULL PRICE SECTION DOES NOT CHANGE.

AFTER THE MODULARS HAVE BEEN RESET, ENSURE RJR'S SS1-V CONTRACT IS CORRECT. ALL ROWS BOTH FULL PRICE AND SAVINGS EXCLUDING BEST VALUE SHOULD BE REPORTED UNDER SS1-V PLAN D.

NOTE: YOU MAY WANT TO USE THE DORAL PRICE REDUCTION TO HELP SMOOTH OVER THE MODULAR CHANGES WITH STORE MANAGEMENT, ESPECIALLY MOVING TOBACCO TO A GONDOLA SECTION.

PLEASE ADVISE IF YOU NEED ADDITIONAL SHELF DIVIDERS OR HAVE QUESTIONS ON RESETTING THE STORES. THANKS FOR YOUR HELP WITH THIS PROJECT.

CC: RM'S, AVP'S

W/ATTACHMENTS

51854 124

ALL STATES

12' MODULAR REVISION SAVINGS SECTION "ONLY"

WAL*MART 7/92

| DORAL | CAMBRIDGE |
|-----------------|-------------|
| DORAL | PREMIUM BUY |
| DORAL | PREMIUM BUY |
| DORAL | CAMBRIDGE |
| BEST VALUE | CAMBRIDGE |
| BEST VALUE | ALPINE |
| VICEROY/RALEIGH | GPC |
| 4 ' | |

ALL STATES

16' MODULAR REVISION SAVINGS SECTION "ONLY"

WAL*MART 7/92

| DORAL | CAMBRIDGE |
|-----------------|-------------|
| DORAL | PREMIUM BUY |
| DORAL | PREMIUM BUY |
| DORAL | CAMBRIDGE |
| BEST VALUE | CAMBRIDGE |
| BEST VALUE | ALPINE |
| VICEROY/RALEIGH | GPC |
| 4 ' | 2' |